



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** October 16, 2007

**TO:** Mayor and Councilmembers

**FROM:** Environmental Services Division, Finance Department

**SUBJECT:** Assignment Of BFI Solid Waste Collection Contract To Allied Waste Services Of North America, LLC

### RECOMMENDATION:

That Council approve the "Consent to Assignment of Solid Waste Collection and Disposal Contract between The City of Santa Barbara and BFI Waste Systems of North America, Inc.," dated January 25, 2002 and amended on October 16, 2003, (City Agreement Numbers 20,432 and 20,432.1) resulting in Allied Waste Services of North America, LLC, as the new franchised waste hauler for Zone One for the City of Santa Barbara.

### DISCUSSION:

In November, 2005, the Public Works Department received a letter from Mr. Greg Loughnane, District Manager of BFI Waste Systems of North America, Inc. (BFI) and Allied Waste Services of North America, LLC (Allied Waste) requesting the City's consent to an assignment by BFI of its Solid Waste Collection and Disposal Contract (Contract) for Zone 1 to Allied Waste. The Public Works Department responded to this letter in December 2005, requesting that BFI provide the information required by the terms of the Contract regarding assignments. Early in 2006, an issue arose with BFI regarding its residential greenwaste program which resulted in lengthy discussions between the City and BFI. In May 2006, BFI sent a letter to the Public Works Department requesting certain adjustments to its Contract. This request resulted in additional contract discussions between the City and BFI, known as Contract Compliance - Phase One and Phase Two.

In June 2006, BFI sent another letter to the Public Works Department responding, in part, to the assignment information the Public Works Department had requested in December 2005. The City and BFI continued to address the greenwaste and Phase

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REVIEWED BY: \_\_\_\_\_ Finance \_\_\_\_\_ Attorney \_\_\_\_\_ Name of Additional Department(s) That Need to Review CAR

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One issues in some form throughout calendar year 2006 and into 2007. Eventually, City staff and BFI agreed that the Phase One and Phase Two issues would continue to be addressed in 2007 and 2008, but that the greenwaste issue was successfully concluded by May 2007.

BFI has now renewed its request that the City approve of the assignment of its Contract to Allied Waste. Section 14.01 of the Contract authorizes the City to require that BFI provide information to the City to ensure that the proposed assignee has: 1) adequate solid waste management experience; 2) not suffered significant citations or other censures from any federal, state or local agency regarding its solid waste management operations; 3) at all times conducted its operations in an environmentally safe and conscientious fashion, and; 4) conducted its operations in full compliance with all federal, state and local laws regulating the collection and disposal of solid waste.

The City Attorneys Office investigated this request and was supplied with adequate information to determine that Allied Waste has the requisite financial capacity, experience and ability to continue to perform the obligations of BFI under the Contract in an environmentally and conscientious fashion and that its solid waste management and operation practices are in full compliance with applicable federal, state and local laws. Allied Waste is a sister company of BFI, and the assets, equipment, vehicles, and personnel of BFI would be assigned to and retained by Allied Waste to continue to perform the solid waste collection and disposal services for the City under the Contract. Furthermore, Browning-Ferris Industries, LLC, the parent company, would continue to provide a financial guaranty of Allied Waste's performance of the Contract. In addition, Allied Waste will be obligated to continue the Phase One and Phase Two contract negotiations with the City.

It is the recommendation of Staff that the City Council approve the assignment of the solid waste collection and disposal contract to Allied Waste Services of North America, LLC, as the new franchised waste hauler for Zone One in the City of Santa Barbara.

**PREPARED BY:** Stephen T. MacIntosh, Environmental Services Supervisor

**SUBMITTED BY:** Robert D. Peirson, Finance Director

**APPROVED BY:** City Administrator's Office